

File

**PICKLE
CROW
GOLD
MINES
LIMITED**

T H I R T Y - F O U R T H A N N U A L R E P O R T

1967

PICKLE CROW GOLD MINES LIMITED

Statement of Earnings

For the Six Months Ended June 30, 1967

EXPENDITURES:

Mine shutdown expenditures	\$ 29,410
Administrative expense	6,567
	<u>35,977</u>
Deduct — Investment Income	12,740
Net Loss for the period	<u>\$ 23,237</u>

Statement of Source and Application of Funds

For the Six Months Ended June 30, 1967

Working Capital beginning of the year ... \$ 558,941

SOURCE OF FUNDS:

Decrease in materials and supplies	210
Proceeds of disposal of fixed assets	7,064
	<u>7,274</u>

APPLICATION OF FUNDS:

Net Loss for the period	23,237
Net Decrease for the period	<u>15,963</u>
Working Capital, June 30, 1967	<u>\$ 542,978</u>

B. Statements for the same 6 month period of 1966 are not given as at that time the company was engaged in production operations and such figures would not be on a comparative basis to those of the current year.

Above figures are unaudited and subject to year end adjustments.

Printed in Canada

PICKLE CROW GOLD MINES LIMITED

AR27



INTERIM REPORT

6 MONTHS ENDED JUNE 30, 1967

Executive Offices

Suite 1000,
11 Adelaide Street West,
TORONTO, ONTARIO

**PICKLE CROW GOLD MINES
LIMITED**

To the Shareholders:

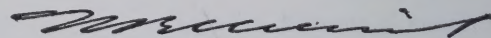
During the 6 month period ended June 30, 1967, your company continued with the clean-up and disposal of the remaining saleable plant and equipment at Pickle Lake, Ontario and this will be completed by the end of the summer.

As shown in the interim financial statements a strong working capital position is being maintained, part of which — approximately \$300,000 — has been invested in a diversified list of common stocks which are now providing the company with dividend income until these funds are required for a favourable mining project.

Pickle Crow holds an interest in 14 claims in the Coppermine River area of the Northwest Territories. Exploration and diamond drilling in the 1956-1957 period indicated two zones estimated to contain 82,000 tons averaging 8.85% copper to a depth of 100 feet. With current activity in the area, new discoveries could lead to production facilities that could treat this ore. A survey is underway to bring the claims to patent, but no additional work is planned for 1967.

A 4% interest is held in an exploration syndicate in the McLeese Lake area of British Columbia, the other participants being Teck Corporation Limited and Copperfields Mining Corporation Limited. Drilling is to begin in early September to test a copper-molybdenum showing and several I.P. anomalies.

Other exploration ventures will also be considered and through association with the Keevil Mining Group the Company will have the opportunity to participate in some of their projects. This broadens the scope of the Company's exploration activities at the minimum of expense.



N. B. KEEVIL

President

August 25, 1967

PICKLE CROW GOLD MINES LIMITED

<i>directors</i>	N. B. KEEVIL, Port Credit, Ontario N. B. KEEVIL JR., Toronto, Ontario J. H. WESTELL, Islington, Ontario J. C. FRANTZ, Toronto, Ontario R. J. WRIGHT, Toronto, Ontario
<i>officers</i>	N. B. KEEVIL, President N. B. KEEVIL JR., Vice-President J. A. S. GIBSON, Secretary-Treasurer
<i>head office</i>	Suite 4900, Toronto-Dominion Centre, Toronto, Ontario
<i>transfer agents and registrars</i>	CROWN TRUST COMPANY, Toronto, Ontario EASTERN & CHARTERED TRUST COMPANY, Montreal, Quebec BANKERS TRUST COMPANY, New York, New York
<i>auditors</i>	MCDONALD, CURRIE & Co., Toronto, Ontario
<i>annual meeting</i>	July 29, 1968, 11:00 a.m. (Eastern Standard Time) Nova Scotia Room Royal York Hotel Toronto, Ontario



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Report of the Directors

To the Shareholders:

The 34th annual report for the year ended December 31, 1967 covers the first full year following cessation of 32 years of production and reflects your company's new role as a mining exploration company.

As shown in the financial reports, the company as at December 31, 1967 had a net working capital position of \$602,854. Your directors intend to use this sum judiciously to finance participation in mining exploration ventures as opportunities arise. As an associate of the Keevil Mining Group, the company is able to maintain a watch for appropriate situations at a minimum of expense.

In 1967 a number of prospects were investigated but no major expenditures were incurred. The three claim groups in the Coppermine River area in which Pickle Crow has a 53.6% interest were surveyed and an application for lease will be filed with the Department of Indian Affairs and Northern Development.

Following the sale and liquidation of most of the plant, equipment, supplies and townsite at the Pickle Crow mine site, there remained certain assets and credits built up over the years that cannot be used by Pickle Crow as it is no longer carrying on income-producing mining operations. Accordingly, after careful consideration and negotiations, your directors have given approval to a plan of amalgamation submitted by Silverfields Mining Corporation Limited whereby Pickle Crow shareholders could benefit. At the same time your directors appreciated that the shareholders would wish to retain the potential of appreciation offered by the employment of their assets in an exploration company, so an arrangement has been approved by the directors whereby these assets would be transferred to a new company, Pickle Crow Explorations Limited, and its shares distributed to the present Pickle Crow Gold Mines Limited shareholders on a share for share basis.

Naturally these arrangements and transfers involve certain legal agreements and corporate proceedings and the necessary special resolutions are reprinted with the accompanying notice of meeting. A copy of the amalgamation agreement is enclosed and the other agreements including the proposal from Silverfields are available for examination at the company's head office for any interested shareholder. In addition to the usual financial statements, unaudited balance sheets of Silverfields Mining Corporation Limited and Pickle Crow Gold Mines Limited, as at April 30, 1968, prior to the proposed amalgamation are presented together with pro forma balance sheets of Silverfields Mining Corporation Limited and Pickle Crow Explorations Limited at the same date, illustrating the positions of the companies after the proposals have been carried out.

In brief the proposed plans to be considered by shareholders at the meeting call for the following steps:



- PICKLE CROW GOLD MINES LIMITED will transfer all its net current assets, investments, and prospect properties, and lease the former producing property, to a new company, PICKLE CROW EXPLORATIONS LIMITED.
- Pickle Crow Explorations Limited shares are then distributed to Pickle Crow Gold Mines Limited shareholders, on a share for share basis. Arrangements have been made to de-list Pickle Crow Gold and list PICKLE CROW EXPLORATIONS LIMITED in its place.
- The remaining Pickle Crow Gold Mines Limited would then consolidate its shares on a 1 new for 200 old shares basis and amalgamate with SILVERFIELDS MINING CORPORATION LIMITED, under the name of Silverfields Mining Corporation Limited, individual shareholders of Pickle Crow Gold Mines Limited receiving 1 Silverfields Redeemable Convertible \$4.00 Class A share for 1 Pickle Crow Gold consolidated share.
- It is understood that the amalgamated company, Silverfields, will eventually redeem the Class A shares at which time the individual shareholder would receive \$4.00 per share or could convert to 1 common share of Silverfields Mining Corporation Limited.

The net result of the proposals outlined above may be simplified by the following example:

After all arrangements had been finalized, a shareholder with 1,000 shares of Pickle Crow Gold Mines Limited would deliver the certificate to the company's transfer agent and receive in return 1,000 shares of Pickle Crow Explorations Limited plus 5 shares of Silverfields \$4.00 Redeemable Convertible Class A.

As some shareholders will be left with fractional Silverfields Class A shares, arrangements have been made with Omni Securities Limited to purchase or sell fractional shares at the equivalent of \$4.00 per share.

To accomplish the necessary legal steps the initial meeting on July 29, 1968 will consider the application for supplementary letters patent and the transfer and lease of assets, and then adjourn until July 31, 1968 to consider the amalgamation agreement, at which time the supplementary letters patent will have been received.

Your directors consider that the above proposals offer additional benefit to all shareholders while still retaining the prospects and potential of your present company through the shares of Pickle Crow Explorations Limited.

On behalf of the Board,

N. B. KEEVIL

President

July 4, 1968

Balance Sheet as

ASSETS	1967	1966
	\$	\$
CURRENT ASSETS		
Cash and short-term deposits	177,556	358,445
Accounts, interest and dividends receivable	82,764	129,105
Estimated amount receivable under the provisions of The Emergency Gold Mining Assistance Act	—	74,079
Marketable securities, at cost (quoted market value — 1967 \$337,996; 1966 \$70,000)	365,665	49,875
Prepaid expense	—	9,885
	625,985	621,389
MATERIALS AND SUPPLIES , at estimated realizable value	—	25,000
INVESTMENTS		
Securities deposited for power contract, at cost	—	25,000
Associated companies —		
Shares and debentures, at cost	25,050	25,069
Wholly-owned subsidiary (note 1) —		
Shares, at cost	—	10,862
	25,050	60,931
FIXED ASSETS		
Buildings, plant and equipment, at estimated realizable value	71,107	75,000
Mining claims and properties, at nominal value	1	1
	71,108	75,001
DEFERRED EXPENDITURES		
Outside exploration and development, at cost (note 2)	217,795	209,930
	939,938	992,251

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the balance sheet of Pickle Crow Gold Mines Limited as at December 31, 1967 and the statements of earnings, deficit and source and use of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company as at December 31, 1967 and the results of its operations and the source and use of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

April 9, 1968
Toronto, Ontario

McDONALD, CURRIE & CO.,
Chartered Accountants.

MINES LIMITED

December 31, 1967

LIABILITIES

	1967 \$	1966 \$
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	12,131	68,448
Unclaimed dividends	11,000	11,000
Loan from wholly-owned subsidiary	—	8,000
	<u>23,131</u>	<u>87,448</u>

SHAREHOLDERS' EQUITY

CAPITAL STOCK (note 3)

Authorized —		
5,000,000 shares of \$1 each		
Issued —		
3,554,820 shares	3,554,820	3,554,818
Discount thereon — net	489,450	489,450
	<u>3,065,370</u>	<u>3,065,368</u>
DEFICIT	<u>2,148,563</u>	<u>2,160,565</u>
	<u>916,807</u>	<u>904,803</u>

Signed on behalf of the Board,

N. B. KEEVIL, Director.

J. H. WESTELL, Director.

<u>939,938</u>	<u>992,251</u>
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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 1967

- During 1967 the wholly-owned subsidiary company was liquidated.
- The amount shown for outside exploration and development represents cost to date and is not intended to reflect present or future value.
- An additional 543 shares of the company's capital stock may be required to be issued in connection with a stock dividend declared in 1959.
- No corporation taxes are payable in respect of the profit for the year and the company has undepreciated capital cost allowances amounting to approximately \$1,000,000 which are available as deductions from future taxable incomes.
- The company ceased mining operations during 1966 and for this reason the results for the year ended December 31, 1967 are not comparable with those for the preceding year.
- During 1967 no remuneration was paid by the company to the directors and officers of the company as such; however, three caretakers within the statutory definition of "senior officers" contained in The Corporations Act received an aggregate remuneration of \$11,260.

PICKLE CROW GOLD MINES LIMITED

Statement of Earnings (note 5)

For the Year Ended December 31, 1967

REVENUE:		\$
Interest and dividends		23,641
Profit on sale of fixed assets, materials and supplies	80,598	
Less: Mine shutdown expenses	64,536	16,062
		<u>39,703</u>
EXPENSES:		
Administrative expense		20,357
NET PROFIT FOR THE YEAR		<u>19,346</u>

Statement of Deficit (note 5)

For the Year Ended December 31, 1967

		\$
BALANCE — DECEMBER 31, 1966		2,160,565
Add: Shares issued in respect of stock dividend declared in 1959 ...	2	
Investments in associated companies — written off	19	
Adjustment of prior year's Emergency Gold Mining Assistance	24,995	25,016
		<u>2,185,581</u>
Deduct: Profit on sale of investments	17,672	
Net profit for the year	19,346	37,018
BALANCE — DECEMBER 31, 1967		<u>2,148,563</u>

PICKLE CROW GOLD MINES LIMITED

Statement of Source and Use of Funds (note 5)

For the Year Ended December 31, 1967

SOURCE OF FUNDS:	\$
Profit for the year	19,346
Less: Profit on sale of fixed assets and materials and supplies	80,598
	<u>(61,252)</u>
Proceeds of sale of fixed assets and materials and supplies	109,491
Release of securities deposited for power contract	25,000
Proceeds of liquidation of investment in wholly-owned subsidiary company	10,862
Profit on sale of investments	17,672
	<u>101,773</u>
 USE OF FUNDS:	
Adjustment of prior year's Emergency Gold Mining Assistance	24,995
Exploration expenditures	7,865
	<u>32,860</u>
INCREASE IN WORKING CAPITAL	68,913
WORKING CAPITAL — DECEMBER 31, 1966	533,941
WORKING CAPITAL — DECEMBER 31, 1967	<u>602,854</u>



